

# Monthly Mortgage Summary



## Georgia Department of Banking & Finance ~ Non-Depository Financial Institutions Division Monthly Summary of Mortgage Activities for the Period Ending February 2010

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### Personnel Files

Rule 80-11-2-.02(1)(n) of the Department of Banking and Finance provides that a licensed/registered mortgage broker or mortgage lender must maintain a personnel file for each employee. An employee file must contain all documents related to the hiring of an employee, including a criminal background check, as well as the date the Department's website (<https://dbfweb.dbf.state.ga.us/MBAdmActions.html>) was reviewed to verify an individual's eligibility for employment.

The requirement that the Department's website be checked is a provision of this Rule that is often overlooked. This step involves entering a prospective employee's name into the searchable database on the Department's website to ensure that he or she is eligible for employment in the residential mortgage industry. The Department's public database indicates whether an individual has received a Cease and Desist Order or has entered into a Consent Order with the Department.

In the event that an individual has been issued a final Cease and Desist Order by the Department, the date that the person is eligible to re-enter the industry, if one exists, will be clearly shown as part of the search results. In an instance in which a Consent Order has been entered into between a person and the Department, the terms of the agreement should be reviewed by a licensee/registrant to determine whether a person is eligible for hire and whether any restrictions have been placed on that individual with respect to the capacities in which he or she may work.

Not only should this search be performed for prospective employees, the Department recommends that licensees/registrants should check their current employees from time to time. In doing so, please keep in mind that a full name search will only return exact matches, so it may be best to enter only the first few letters of a person's name and scan the listings.

One of the surest ways to jeopardize your broker or lender license/registration is to hire someone that is ineligible to work in the industry by currently being under an Order to Cease and Desist. So remember to run those checks on the Department's website and maintain documentation of the personnel file.

## Mortgage Loan Originator Licensing - Now in Progress!

Mortgage Loan Originator (MLO) licensing began on January 4, 2010. A MLO must have submitted a **complete** application for a Georgia MLO license by March 31, 2010, to be conditionally allowed to originate residential loans until final action is taken on the application by the Georgia Department of Banking and Finance ("Department"). Approval or denial of a MLO license will be issued by the Department as soon as possible but is expected to occur no later than June 30, 2010. Any MLO who fails to submit a complete application by March 31, 2010, must cease originating Georgia residential loans as of April 1, 2010. He or she may not originate any Georgia residential loans until such time a MLO license is issued by the Department.

Any person, regardless of title or job duties, is required to have a MLO license if he/she performs mortgage loan origination activity as defined by the Georgia Residential Mortgage Act, O.C.G.A. § 7-1-1000 *et seq.* There is no "grandfathering." It is up to each MLO to understand the requirements for licensure.



The Department has received a number of similar questions from prospective MLO licensees. The most common of these include:

- Q. For purposes of MLO licensure, what does the Department regard as a "complete" application?**
  - A. For an application to be complete by March 31, 2010, the applicant must have completed 20 hours of approved education, obtained a passing grade on both the national and state tests, submitted a criminal background check request through NMLS, paid the requisite fees, and submitted all jurisdiction-specific documents. A checklist can be found on NMLS and the Department's websites.
- Q. How will I know if the Department has received all items required for my application?**
  - A. It is the responsibility of each MLO applicant to meet all requirements and submit all documentation in a timely fashion. Jurisdiction-specific documents should be copied by the MLO for his or her records and sent to the Department in a manner that results in confirmation that they have been received. Discrepancies found by the Department with an application will be brought to the attention of the MLO applicant via NMLS email after the application is reviewed. Please note that if unaddressed discrepancies exist on or after April 1, 2010, a MLO applicant will be required to cease originating residential mortgage loans until such time as his or her license may be approved by the Department at a later date.
- Q. Will I be able to discuss my application with someone at the Department?**
  - A. Generally speaking, no. When your application is being reviewed, someone from the Department may have occasion to contact you. The Department regrets that its limited staff is unable to accept calls from each MLO applicant or his or her sponsoring licensee regarding the status of the application.
- Q. As a sponsoring licensee, how will I know if my MLO employee is able to continue to originate Georgia residential loans?**
  - A. Once an application is approved, the license number issued to a MLO can be found on the Department's website as well as the NMLS website. Since there is a transition period, your company will need to come up with a system that will work for you. You may wish to document the status of each MLO on March 31, 2010, or have each MLO you employ provide you with a written statement regarding his/her eligibility to continue originating loans after that date. On July 1, 2010, there will no longer be a question of whether a MLO is licensed, as the status of all licensees will be public information that can be obtained from the websites of the Department and the NMLS.

## Mortgage Loan Originator Licensing - Now in Progress! (continued)

- Q. I have an issue with my credit. Will this affect getting a MLO license?
- A. It could. In assessing an applicant's financial responsibility, the Department does not make a decision based on credit scores but instead reviews a person's overall credit history. You can find more information about what is considered for financial responsibility on slide 15 of the PowerPoint presentation entitled "Mortgage Loan Originator Licensing" on the Department's website, [www.dbf.georgia.gov/dbfmtg](http://www.dbf.georgia.gov/dbfmtg) under "Mortgage Loan Originator Resources." If you have particular concerns about your credit, you may wish to submit as part of your application an explanation with your jurisdiction-specific documentation. *Please do not contact the Department to make inquiries about specific credit issues as its staff will not be able to respond to questions regarding any MLO's personal situation.*
- Q. What happens if a loan I am working on is still in progress and I am unable to meet the March 31, 2010, MLO application requirement?
- A. In such an instance, any work related to the origination of that loan can no longer be performed by a MLO who has not submitted a **complete** application to the Department. This means that as of April 1, 2010, any further mortgage loan origination activity on a pending loan must be handled by a MLO who has a complete application pending before the Department or by a MLO whose license application already has been approved.
- Q. Can the original loan originator be paid for any part of his or her work on the loan in the above scenario?
- A. Yes, if the loan originator is a supervised, exclusive, W2 employee or holds a Georgia broker's license in his/her individual name, he or she can be compensated for mortgage origination that was performed **on or before** March 31, 2010.
- Q. What happens if a MLO continues to originate Georgia residential loans after March 31, 2010, without a license or without a complete application pending?
- A. Administrative action may be taken that may result in the MLO subsequently being denied a license. His or her sponsoring licensee also may have administrative action taken against it, which may include, but is not limited to, the revocation of its license.

(*PLEASE NOTE: At this time no action is required to be taken in the Nationwide Mortgage Licensing System (NMLS) by any mortgage loan originator who is an employee of a federally insured depository institution or an owned and controlled subsidiary of such a depository institution that is federally regulated. Read more at: <http://mortgage.nationwidelicensingsystem.org/fedreg/Pages/default.aspx>*)

## Annual Mortgage Questionnaire

Information regarding calendar year 2009 operating and disclosure data must be submitted by all **active** mortgage brokers, processors, lenders and registrants that held a valid Georgia residential mortgage license/registration during 2009. The information requested is the same as in prior years and must be completed and submitted online at: <https://bkfin.dbf.state.ga.us/MortgageDocs/AnnualQuestionnaire.html>.

Please note that the website requires a UserID and Password. Login information was sent to each licensee's/registrant's primary e-mail contact currently on record with the Department. **Please complete the questionnaire by March 31, 2010.**

## NDFI CUSTOMER SERVICE STARS

It is the Department's goal to provide excellent customer service by meeting and exceeding the expectations of our customers. Along those lines, we would like to recognize the following individuals for going above and beyond in serving our customers:

**Gloria Smith, Secretary/Receptionist and Rod Carnes, Deputy Commissioner for Non-Depository Financial Institutions** - The Department received the following comments from a customer stating: "I came into your office the other day and was a little confused by the paperwork I needed to complete. I wanted to let you know how much I appreciated the help I received from Gloria. She was patient and explained the information to help me complete the paperwork. I also wanted you to know that Rod Carnes continues to do a super job at our test training classes! He is very knowledgeable and adds a friendly face to the Department."

**Non-Depository Financial Institutions Division (Mortgage Section)** - The Department received the following comments from a customer stating: "The Georgia delegation was missed at the recent NMLS conference! Just want you to know that many industry people - when discussing our favorite and not-so-favorite regulators - often said the DBF was one of the most respected authorities in terms of responsiveness, clarity, professionalism, NMLS transition issues, etc. Anyway, the DBF was missed!"

### CONGRATULATIONS AND GREAT JOB TO THIS MONTH'S CUSTOMER SERVICE STARS!!

## NDFI Outreach

### AND UPCOMING SPEAKING ENGAGEMENTS

- ❖ Commissioner Braswell will be speaking at the 2010 Georgia Southeastern Region Community Bank Group Symposium on March 24th at the Forest Heights Country Club in Statesboro, GA.

### OFFICE CLOSING

This is a reminder that the Department will be closed on Friday, April 2nd for an employee furlough day.



## **ADMINISTRATIVE ACTIONS**

### **Cease and Desist Orders Which Became Final**

- ◆ **Elmore, Vanessa, Lithonia, GA** - Order to Cease and Desist issued 01/12/2010 became final 02/19/2010.
- ◆ **Livingston, Nathan DBA Loan Help Solutions DBA Mortgage Help Solutions, Decatur, GA** - Order to Cease and Desist issued 01/07/2010 became final 02/26/2010.
- ◆ **Northstar Mortgage Group, LLC, Marietta, GA (license# 20887)** - Order to Cease and Desist issued 12/31/2009 became final 02/01/2010.
- ◆ **Superior Home Equity, LLC, Chattanooga, TN (license# 15326)** - Order to Cease and Desist issued 01/19/2010 became final 02/18/2010.
- ◆ **United Law Group, Inc., Irvine, CA** - Order to Cease and Desist issued 12/17/2009 became final 02/26/2010.

### **Final Consent Orders**

- ◆ **Ryland Mortgage Company, Calabasas, CA (license# 6499)** - Consent Order issued 02/01/2010 became final 02/01/2010.

### **Fine Information**

Information regarding fines assessed against a specific licensee, against whom there are no pending administrative actions, is available on an individual licensee basis by submitting a written request to the following e-mail address: dbfmort@dbf.state.ga.us

#### **FINE REASON**

- |   |   |
|---|---|
| 1 Licensee fined for Books and Records                      | 1 Licensee fined for Prohibited Acts violations/discharge |
| 1 Licensee fined for doing business w/ an unlicensed entity | 1 Licensee fined for Unapproved Branch Manager            |
| 1 Licensee fined for Unapproved Branch                      | 3 Licensees fined for Advertising violations              |
| 1 Licensee fined for Background Checks violation            |   |

**LICENSEES/REGISTRANTS APPROVED OR REINSTATED IN FEBRUARY 2010**

LIC#	CODE	LEGAL NAME	CITY	ST	ORIGINAL APPROVAL	RENEWAL	REINSTATED
24201	L	McGlone Mortgage Company, Inc.	Appleton	WI	02/26/2010	02/26/2010	
24245	B	RON REAGAN JR INSURANCE AGENCY, INC	Kennesaw	GA	02/26/2010	02/26/2010	
19497	B	Craftsman Mortgage, LLC +	Marietta	GA	06/18/2004	02/19/2010	
24283	L	Maxim Mortgage Group, LLC	Forest Hill	MD	02/19/2010	02/19/2010	
24302	B	Shametria Dixon	Stone Mountain	GA	02/19/2010	02/19/2010	
24252	L	Stonegate Mortgage Corporation	Mansfield	OH	02/12/2010	02/12/2010	
24626	B	Financial Choices Corporation	Norcross	GA	02/12/2010	02/12/2010	
24253	B	Deidre Fresquez	Duluth	GA	02/05/2010	02/05/2010	

**Total: 8**
**LICENSE STATUS CHANGE INDICATORS & MORTGAGE LICENSE CODES— (In Tables)**

License Status Indicators		(MB CODE) - Mortgage License Codes	
*	Upgrade Broker to Lender	B	Broker
+	Downgrade Lender to Broker	L	Lender
#	Upgrade Lender to Registrant	P	Processor
•	Downgrade Registrant to Lender	R	Registrant

**LICENSEES/REGISTRANTS REVOKED, EXPIRED, WITHDRAWN OR DENIED IN FEBRUARY 2010**

LIC#	CODE	LEGAL NAME	CITY	ST	REVOKED	EXPIRED	SURRENDERED	WITHDRAWN
15326	BD	Superior Home Equity, LLC	Chattanooga	TN		02-18-2010		
20887	LD	Northstar Mortgage Group, LLC	Marietta	GA		02-01-2010		
6499	LD	Ryland Mortgage Company	Calabasas	CA			02-01-2010	
5867	LD	Pine State Mortgage Corporation	Atlanta	GA				02-03-2010
14840	LD	Apex Lending, Inc.	Largo	FL				02-02-2010
19825	LD	GRP Financial Services Corp.	White Plains	NY				02-02-2010
19826	LD	GRP Loan, LLC (DE)	White Plains	NY				02-02-2010
20490	LD	GRP Strategies, LLC	White Plains	NY				02-02-2010
23014	LD	Euro Mortgage, Inc.	Melville	NY				02-02-2010
23108	BD	Strategic Home Capital, LLC	Alpharetta	GA				02-02-2010

**Total: 10**

**MORTGAGE LOAN ORIGINATORS APPROVED IN FEBRUARY 2010**

LIC#	NMLS#	NAME	CITY	ST	APPROVAL
24312	147994	Xiaofeng Zheng	Alpharetta	GA	02/12/2010
24318	195079	Thaddeus Matthew Blizzard	Marietta	GA	02/12/2010
24328	193005	John Benjamin Palmer	Woodstock	GA	02/12/2010
24331	193000	David James O'Meara	Canton	GA	02/12/2010
24332	166410	Bryan L Hill	Atlanta	GA	02/12/2010
24336	67168	Chian C Kee	Alpharetta	GA	02/12/2010
24337	201785	Molly W Nicholson	Clarkesville	GA	02/12/2010
24340	194895	Donald W. Powell	Kennesaw	GA	02/12/2010
24347	215287	Billy B. Smith	Norcross	GA	02/12/2010
24351	202243	Matthew Ryan Fabian	Maryville	TN	02/12/2010
24383	184320	Brian Hamilton Berman	Smyrna	GA	02/12/2010
24390	180750	Samuel Ray Floyd	Indianapolis	IN	02/12/2010
24396	148867	David A. Lesko	Atlanta	GA	02/12/2010
24413	30056	Keith Thomas Dizeo	Farmingdale	NY	02/12/2010
24415	138214	Russell Berry Murphy	Herriman	UT	02/12/2010
24420	217255	Daniel Ray Rosemont	Suwanee	GA	02/12/2010
24429	220919	Osie Lee Gaines, Jr.	Stone Mountain	GA	02/12/2010
24444	193007	Stephen Joseph Znoj	Acworth	GA	02/12/2010
24455	209146	Yufei Bao	Norcross	GA	02/12/2010
24459	197093	Philip Charles Brashier	Katy	TX	02/12/2010
24486	166043	Henry Michael Hanson, Jr.	Cumming	GA	02/12/2010
24310	222425	Nicholas Eugene Rapplean	Woodstock	GA	02/19/2010
24319	18851	James Wesley Boyd	Buford	GA	02/19/2010
24334	162440	David Lee Johnson	Orem	UT	02/19/2010
24381	151350	Robert Bain Ayres, Jr.	Canton	GA	02/19/2010
24387	157760	Patricia Maria Daneri	Indianapolis	IN	02/19/2010
24389	196924	Sandra Ann Densborn	Fishers	IN	02/19/2010
24457	174571	Nicole Marie Birkett	Fort Mill	SC	02/19/2010
24476	28043	James Andrew Doran	Duluth	GA	02/19/2010
24493	193520	Holly Elizabeth Higginbotham	Baton Rouge	LA	02/19/2010
24512	22213	Paul Robert McDonald	Charlotte	NC	02/19/2010
24515	81757	Andrew Jon Meadows	Waxhaw	NC	02/19/2010
24538	180306	Jason Skinrood	Pleasant Grove	UT	02/19/2010
24777	108864	Allison Loper Ledford	Hayesville	NC	02/19/2010
24832	187269	Jennifer Brooke Toomey	Ringgold	GA	02/19/2010
24846	202189	Corey Seth Cantrell	Demorest	GA	02/19/2010
24324	166106	Seyed M Ehteshami	Duluth	GA	02/26/2010
24326	206517	William Thomas Hickey	Cumming	GA	02/26/2010
24339	21075	Eduardo Gutierrez Perez, Jr.	Woodstock	GA	02/26/2010
24364	58624	Thomas Coyle	Roswell	GA	02/26/2010
24518	51212	Neil Calvert Nichols, Jr.	Waxhaw	NC	02/26/2010
24524	188358	Dana Michael Pisani	Waxhaw	NC	02/26/2010
24527	6898	Yuri Michael Prezimirski	Alpharetta	GA	02/26/2010
24529	45163	Stanley Robert Rodgers	Houston	TX	02/26/2010
24530	153979	K'sun Joseph	South Jordan	UT	02/26/2010
24539	35916	Michael Lee Slaughter	Kennesaw	GA	02/26/2010
24545	206864	Michael A. Thompson	Fayetteville	GA	02/26/2010
24564	108207	Marek Biela	Cumming	GA	02/26/2010

**Total: 48**

**Georgia Department of  
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We're on the Web!  
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*The Department is the state agency that regulates and examines banks, credit unions, and trust companies chartered by the State. The Department also has regulatory and/or licensing authority over mortgage brokers/processors, lenders and loan originators, money service businesses, international banking organizations, and bank holding companies conducting business in Georgia.*

*Our MISSION is to promote safe, sound, competitive financial services in Georgia through innovative, responsive regulation and supervision.*

*Our VISION is to be the best financial services industry regulator in the country – Progressive. Proactive. Service-Oriented.*

*Our Motto is: "Safeguarding Georgia's Financial Services"*

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